

Message Text

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TAGS: ECON, ELAB, CH

SUBJ: MANAGEMENT AND INCENTIVES IN LIAONING PROVINCE

1. SUMMARY: USLO OFFICER VISITING SIX ENTERPRISES IN SHEN YANG, ANSHAN AND TALIEH JULY 22-25 FOUND THAT A FAIRLY UNIFORM SYSTEM OF BONUSES HAD BEEN IMPLEMENTED IN MOST FACTORIES. ENTERPRISES WERE BEING RUN BY FACTORY MANAGERS UNDER THE GENERAL LEADERSHIP OF PARTY COMMITTEES. ALL ENTERPRISES WERE STUDYING AND IMPLEMENTING THE "30 POINTS FOR INDUSTRY" WHICH THEY HAD RECEIVED IN APRIL. ACCORDING TO SOME FACTORY OFFICIALS, THE POINTS OFFER FAIRLY SPECIFIC GUIDELINES REGARDING INCENTIVES AND RESPONSIBILITIES OF FACTORY MANAGERS FOR QUALITY CONTROL. END SUMMARY.

2. USLO OFFICER VISITED AND INTERVIEWED FACTORY OFFICIALS AT THE SHENYANG HEAVY MACHINERY FACTORY, THE ANSHAN IRON AND STEEL COMPANY, THE TAKUSHAN IRON MINE, TALIEH HARBOR, THE TALIEH LOCOMOTIVE PLANT AND THE TALIEH GLASSWARE FACTORY ON JULY 22-25. THE FOLLOWING FINDINGS INDICATE THAT "NEW" MANAGEMENT FORMS -- ACTUALLY A RETURN TO PRE-CULTURAL REVOLUTION NORMS -- HAVE BEEN WIDELY ADOPTED, TOGETHER WITH A
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FAIRLY UNIFORM SYSTEM OF INCENTIVES.

3. BONUSES: ALL FOUR MANUFACTURING ENTERPRISES VISITED HAVE INSTITUTED -- OR, IN ONE CASE, ARE INSTITUTING -- A THREE LEVEL BONUS SYSTEM FOR WORKERS SURPASSING LABOR NORMS. THE LEVELS ARE PROBABLY UNIFORM. OFFICIALS AT BOTH THE TALIEH GLASSWARE FACTORY AND THE TALIEH LOCOMOTIVE

PLANT STATED THAT THE LEVELS ARE 12 YUAN FOR LEVEL ONE, 8 YUAN FOR LEVEL TWO AND 6 YUAN FOR LEVEL THREE. OFFICIALS AT ANSHAN MENTIONED A THREE LEVEL RANGE FROM 7-12 YUAN. SHENYANG HEAVY MACHINERY OFFICIALS MENTIONED BONUSES OF FROM 8-20 YUAN A MONTH BUT THESE FIGURES MAY INCLUDE VARIOUS ALLOWANCES FOR NIGHT WORK, TRANSPORTATION, HOT WORK, ETC. IN EVERY CASE IT WAS INDICATED THAT WORKER BONUSES ARE AWARDED MONTHLY WITHIN WORK UNITS AFTER PEER-GROUP DISCUSSIONS. AN ANSHAN NUMBER THREE STEEL MILL OFFICIAL SAID THAT 25 PERCENT OF WORKERS IN THE MILL ARE PERMITTED TO RECEIVE A BONUS EACH MONTH. THE TALIEH GLASSWARE FACTORY MANAGER STATED THAT LOW AND MID-LEVEL MANAGEMENT CADRE NOW COMPETE FOR SMALL BONUSES EVERY QUARTER. THE CRITERION IS FULFILLMENT OF THE "8 TARGETS" (PA HSING CHIH PIAO). HE ADDED THAT THE FACTORY MANAGER AND THE PARTY COMMITTEE ARE NOT ENTITLED TO BONUSES. HE ALSO STATED THAT PIECE RATES HAD BEEN INSTITUTED ON JULY 1 FOR 30 PERCENT OF THE WORKERS IN THIS FACTORY. THE REMAINING 70 PERCENT WORK FOR TIME RATES PLUS BONUSES. A DIFFERENT BONUS SYSTEM IS IN EFFECT AT TALIEH HARBOR. THE HARBOR BEGAN IN APRIL TO AWARD BONUSES OF ABOUT 10 YUAN PER WORKER TO WORK UNITS WHICH AS A UNIT OVERFULFILL WORK PLANS. THE HARBOR IS PLANNING TO INSTITUTE A STRAIGHT PIECE-RATE SYSTEM IN SOME WORK UNITS IN THE NEAR FUTURE.

4. MANAGEMENT AND THE "30 POINTS": ALL ENTERPRISES EXCEPT THE TALIEH LOCOMOTIVE PLANT HAD ALREADY ABOLISHED THEIR CONFIDENTIAL

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REVOLUTIONARY COMMITTEES AND ESTABLISHED A "FACTORY MANAGER UNDER THE LEADERSHIP OF THE PARTY COMMITTEE" MANAGEMENT SYSTEM. AT THE LOCOMOTIVE PLANT (ADMINISTERED DIRECTLY BY THE MINISTRY OF RAILWAYS) OFFICIALS SAID THE REVOLUTIONARY COMMITTEE STILL EXISTED IN NAME BUT THE FACTORY MANAGER SYSTEM HAD ALREADY BEEN IMPLEMENTED IN FACT. OFFICIALS RESPONDED DIFFERENTLY WHEN ASKED WHETHER THE "30 POINTS FOR INDUSTRY" ARE CONCRETE INSTRUCTIONS FOR MANAGERS. OFFICIALS AT THE SHENYANG HEAVY MACHINERY FACTORY SAID THE POINTS ARE ONLY GENERAL GUIDELINES. THE DIRECTOR OF THE ANSHAN NUMBER THREE STEEL MILL SAID THAT THE POINTS ARE SPECIFIC BUT MUST BE APPLIED ACCORDING TO LOCAL CONDITIONS. HE STATED THAT CONFUSION IN THE 70 POINTS (1961) OVER THE DIFFERENCES BETWEEN LEGITIMATE BONUSES AND MATERIAL INCENTIVES HAD BEEN CLEARED UP IN THE 30 POINTS. THE MANAGER OF THE TALIEH GLASSWARE FACTORY SAID THE POINTS ARE VERY SPECIFIC AND CLEAR ABOUT QUALITY CONTROL. THE FACTORY MANAGER WILL BE RESPONSIBLE FOR GUARANTEEING QUALITY.

5. COMMENT: FACTORY OFFICIALS ARE NOW MORE WILLING TO DISCUSS ONCE SENSITIVE ISSUES SUCH AS PROFITS, INCENTIVES AND EVEN CENTRAL ECONOMIC POLICY. WITHOUT EXCEPTION THEY STATED THAT

BONUSES AND OTHER INCENTIVES HAVE RAISED WORKER PRODUCTIVITY.
ALSO WITHOUT EXCEPTION AT THE FACTORIES VISITED, OFFICIALS
STATED THAT PRODUCTION EXPANSION PLANS CALL FOR AT LEAST
SOME IMPORT OF ADVANCED FOREIGN EQUIPMENT. WOODCOCK

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